Impact of rising petrol price on national economy

†1600. SHRI UDAY PRATAP SINGH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government's attention has been drawan towards the increasing price of petrol in the international market; and

(b) if so, the alternative steps being taken by Government with regard to the effect of price rise on the economic growth of the country?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA) : (a) and (b) The Global prices of crude oil and petroleum products have remained high and volatile since 2004 with the Indian Basket of crude oil having reached its all time high of $ 92.13/barrel on 26.11.2007. The impact of volatile and sharp increase in international oil prices needs to be reflected in the domestic retail selling prices of sensitive petroleum products. However, to protect the interests of common man and vulnerable sections of society the burden of high international oil prices is being shared by the oil PSUs and the Government. The Government has also taken a number of measures to rationalise taxes and duties on crude and sensitive petroleum products. The Prices of PDS kerosene and domestic LPG have remained unchanged over the last three years and there has been no increase in prices of petrol and diesel during the current year.

Scarcity of LPG cylinders in Delhi

1601. SHRI AMIR ALAM KHAN : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government is aware that there had been an acute shortage of LPG cylinders during the months of September and October, 2007 in the Capital, especially in South Delhi;

(b) whether it is a fact that LPG cylinders were available in the black market at the rate of Rs 600 to 800 as against its actual cost of Rs. 300; and

(c) if so, the details thereof and the reasons for scarcity of LPG in Delhi during the above period?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA) : (a) No, Sir. Public Sector Oil Marketing Companies (OMCs) have not reported any shortage of LPG cylinders in Delhi during the months of September and October, 2007 and LPG supplies to distributors are being made by the OMCs through indigenous production and imports in accordance with the requirement of customers registered with the LPG distributors in Delhi.

(b) and (c) No, Sir. However, the possibility of diversion/black marketing of subsidized domestic LPG cylinders by some unscruplous elements cannot be ruled out due to the huge difference in the price of subsidized and non-subsidized LPG.

Issue of bonds to corporate oil marketing companies

1602. SHRI C. RAMACHANDRAIAH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government has already issued bonds worth Rs. 40,000 crore during the last two years to compensate the oil marketing companies which are reeling under the burden of increase cost of crude oil in the international markets and also how contemplating for new bond issue for similar purposes;

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†Original notice of the question was received in Hindi

(b) if so, whether it is also a fact that the above actions shifts the burden to the future; and

(c) if so, what remedial action has been planned to meet the eventuality?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA) : (a) to (c) The Global prices of crude oil and petroleum products since 2004, have remained high and volatile. The price of crude oil and petroleum products in the international market fluctuates on daily basis.

As passing on the entire impact of the steep increase in the oil prices to the consumers would have resulted in hardship to the common man, the retail selling prices of petrol, diesel, PDS Kerosene and domestic LPG have not been increased in tandem with the international oil prices and Government continues to provide subsidy support to PDS Kerosene and Domestic LPG.

The Government has adopted the principle of equitable burden sharing between the Government and the oil PSUs to protect the interest of vulnerable sections of society. In this context, Government had issued oil bonds to the extent of Rs. 11,500 crore and Rs. 24,121 crore during the year 2005-06 and 2006-07 respectively to OMCs as part of compensation for the under-recoveries incurred by them. For the year 2007-08. Government has approved the issuance of oil bonds to the tune of 42.7% of total under-recoveries. The upstream oil companies have also contributed Rs. 14,000 crore and Rs. 20,507 corre during the years 2005-06 and 2006-07 respectively and Rs. 8,788 crore during the period Apr-Sep' 07, by offering discounts on crude oil and petroleum products. The prices of sensitive petroleum products are fixed by the OMCs in consultation with the Government. The Government is closely monitoring international oil prices and will continue to protect interest of consumers.

Tourism development in Kerala

1603. SHRI K. CHANDRAN PILLAI: Will the Minister of TOURISM be pleased to state:

(a) whether proposals of tourism development in the State of Kerala are pending with Centre for necessary clearance;

(b) if so, the details of the project pending for clearance; and

(c) the reasons for the delay in issuing clearance of the project?

THE MINISTER OF TOURISM (SHRIMATI AMBIKA SONI) : (a) to (c) Development and promotion of places of tourist interest is primariily undertaken by the State Governments/Union Territory Administration themselves. However, Ministry of Tourism provides Central Financial Assistance on the basis of project proposals prioritized in consultation with the State Governments.

During 2007-08, 12 proposals have received from the Kerala Government and details of these proposals are given in the Statement (*See* below.) Proposals which are complete in all respect as per guidelines are processed on *inter-se* priority basis and funds released subject to availability under the respective head.

During the current financial year, the following proposals have already been sanctioned for Central Financial Assistance to the Government of Kerala:

1. Destination Development of Wayanad for Rs. 201.72 lakhs.

2. Development of Kodungallur Heritage Tourism Circuit for Rs. 361.75 lakhs.

3. Development of Pathiramanal Bio Park for Rs. 499.61 lakhs.